

AGENCY ESTIMATE
OF THE FISCAL IMPACT OF IMPLEMENTING
HB 98 2011 General Session
Capital Outlay Funding Modifications

Sponsor: Representative Christine F. Watkins
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Agency Utah State Office of Education

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A. Short Form (For bills that have no impact on the state, local governments, businesses, or individuals.)

If you can check all five boxes to the right, you're almost done. If the bill obviously doesn't have an impact, you're done.

- | | |
|--|---|
| <input checked="checked" type="checkbox"/> | State agencies will not require an appropriation to implement the bill. |
| <input type="checkbox"/> | There is no fiscal impact on local governments. |
| <input type="checkbox"/> | There is no fiscal impact on businesses |
| <input type="checkbox"/> | There is no fiscal impact on individuals. |
| <input type="checkbox"/> | The bill will not affect revenues. |

If it isn't so obvious, explain what's going on. The most usual explanation is the codification of existing practices.

Attachments welcome.

If necessary, explain why this bill has no fiscal impact.

B. What parts of the bill cause fiscal impact?

Cite specific sections or line numbers.

Lines 77-83.

C. Which program gets the appropriation?

Enter 3 letter Appropriation Unit Code.

For multiple appropriations

This is of

D. Work Notes: Assumptions, calculations & what are we buying?

Explain the fiscal impact in plain English, detailing your assumptions, methods, & calculations.

List all direct costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what this \$50,000 will buy.

Attachments encouraged.

This bill does two things:

- (1) It limits the spending of a maximum of 0.0002 per dollar of taxable value of the local school board's annual capital outlay levy for the maintenance of school facilities in the school district to those local school boards with an enrollment of 2,500 students or more; and
- (2) For those school districts with an enrollment of fewer than 2,500 students, they may use the proceeds of the capital outlay levy for expenditures made within the accounting function classification, 2600 Operation and Maintenance of Plant Services, excluding expenditures for mobile phone service and vehicle operation and maintenance.

These changes could create some accounting variances because the uses would be so different between the small and large school districts.

E. REVENUES

Select Fund	Current Budget Year FY 2011	Coming Budget Year FY 2012	Future Budget Year FY 2013
Total	0	0	0

F. COSTS by FUND

Select Fund	Current Budget Year FY 2011	Coming Budget Year FY 2012	Future Budget Year FY 2013
Total	0	0	0

G. COSTS by EXPENDITURE CATEGORY.

Expenses by Category	Current Budget Year FY 2011	Coming Budget Year FY 2012	Future Budget Year FY 2013
Personal Services			
Travel			
Current Expense			
DP Current Expense			
DP Capital Outlay			
Capital Outlay			
Other/Pass Thru			
Total	0	0	0

H. Non-State Impacts

Your estimate of how will the bill affect:

Local Governments

Businesses

Individuals

These changes wouldn't directly have an impact on funding, but the changes could encourage the rural, smaller districts to increase their capital levies without the approval of the public (the Truth In Taxation process) to use the funds. In addition, with the increase in the capital outlay levy rates, these smaller districts could see an increase in the state Capital Outlay Foundation Growth funds which are partially based on a district's total combined capital outlay levy rates.

If a school district raises the capital outlay levy, businesses would see an increase in their property taxes.

If a school district raises the capital outlay levy, individuals would see an increase in their property taxes.

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This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

Attachments welcome.